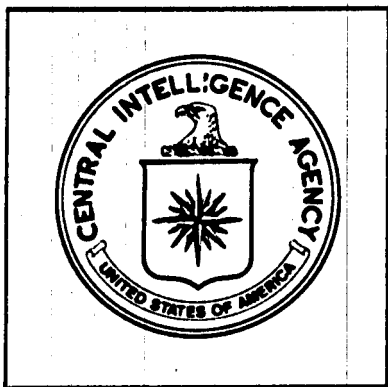


The overall exemptions are b1, b3.

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(See inside cover)
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Military Developments

STAFF NOTES

~~Top Secret~~

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INDONESIA: Timor Situation Report

Indonesia is pushing ahead with plans to secure the remaining areas still held by the Fretilin in Timor. Jakarta, which announced the formal integration of the former Portuguese colony last weekend, has rushed additional reinforcements to the island and has launched an attack against Fretilin bases in the central highlands. Jakarta hopes to gain control over all the populated areas on the island and to isolate Fretilin units still fighting in the countryside.

In a move to wipe out the remaining Fretilin bands and to bring the Timor episode to an end, Jakarta last week captured Lalubar, the last major population center still in the hands of the guerrillas. In addition, Indonesian field commanders have deployed additional combat units to bolster defensive positions near the capital at Dili and the international airport at Bauca, which are still subject to Fretilin attacks. Field commanders also have stepped up patrols to secure vital supply and communications lines. Jakarta now controls most of the populated areas and nearly half of the territory in Portuguese Timor, but about 1,000 Fretilin troops continue to harass Indonesian supply convoys and have destroyed sections of some key roads.

Meanwhile, Fretilin Minister of Defense Lobato claims to have acquired a large quantity of badly needed military supplies from Mozambique. [REDACTED]

[REDACTED] Lobato has acquired enough weapons to arm some 70,000 troops, but he has been unable to transport the military equipment some 9,000 kilometers (5,400 miles) to Timor. The weapons include hand guns, light machine guns, recoilless rifles, and some heavy weapons, including antiaircraft guns.

Fretilin representatives abroad may have received some military equipment, but it is unlikely that they received such a large quantity of sophisticated weapons.

[REDACTED]

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Lobato's claim is probably exaggerated and designed to boost the guerrillas' morale. Even if the transportation problem could be solved, Fretilin forces would not be able to use all of the weapons and would also be faced with the insurmountable task of distributing the supplies to guerrilla units scattered throughout the countryside.

On the other hand, the delivery of even a small quantity of arms would improve the guerrillas' military capabilities and bolster the Fretilin's will to fight. We have no indication so far, however, that the Fretilin have been able to solve their pressing logistic problem.

Since the Indonesian invasion of the island nearly eight months ago, Jakarta has used large quantities of supplies and deployed nearly 35,000 of its strike troops to the island. So far, these forces have suffered nearly 1,000 casualties.

Jakarta's continued prosecution of the war in Timor will be costly, but Indonesian troops--who have improved their combat ability over the past few months--should be able to gain total control of the island. To contain the guerrillas, however, Jakarta will have to maintain a large military presence on the island for some time.

[REDACTED]

[REDACTED]